

State of Alaska FY2008 Governor's Operating Budget

Department of Transportation/Public Facilities Vessel Operations Management Component Budget Summary

Component: Vessel Operations Management

Contribution to Department's Mission

To provide safe, secure, reliable, and efficient transportation of people, goods, and vehicles through the Alaska Marine Highway System (AMHS) by developing sound policy and procedures for operations, and staffing with well trained professionals who are sensitive to the needs of our customers.

Core Services

Vessel Operations Management oversees the operation of 11 ships and 16 terminals with 800 vessel employees and 126 personnel ashore.

Other services provided include:

Develop, implement and enforce policies and procedures for the AMHS.

Enforce labor contracts and schedule qualified employees for work assignments to meet required staffing levels including vacation and sick leave reliefs.

Provide training of vessel and terminal personnel to enhance safety and service for the traveling public and meet the Standards for Training, Certification and Watch keeping for Seafarers (STCW) requirements for mariners.

Provide support for vessel and terminal personnel in the performance of their duties to enhance efficient and customer-oriented operations.

Provide security for our employees, passengers, and vessels as per the system wide security regulations of the Federal Maritime Transportation Security Act (MTSA).

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$3,783,200	Personnel:	
	Full time	40
	Part time	0
	Total	40

Key Component Challenges

Many changes are occurring in the AMHS fleet. The decision was made to relocate the Chenega to Prince William Sound on a year round basis. This will require the system to develop a new class of day shuttle ferry which would be capable of operating year round along the Southeast (SE) routes. Relocating the Chenega to Prince William Sound will also require decisions regarding its ability to operate in that region year round, and if so what to do with the Aurora during the winter months. Policy decisions will also need to be made with regard to the integration of a new class of SE shuttle vessel, the phasing out of the older vessels in the fleet, and the integration of the existing fast ferries into that new system plan. The system continues to refine the concept of operating the FVFs as day boats with all maintenance and servicing conducted at night. FVF crews continue to be trained under the demanding High Speed Craft Code, which also requires very specific recertification of the operating crews. This specialized training will continue to be a challenge in addition to standard fleet training requirements. The fast ferry crew recertification program was completed and approved during 2006.

Security continues to be a challenge. New federal rules require security plans to be in place for both vessels and terminals. Compliance with these new rules will require both changes to the physical terminal infrastructure and training for both shipboard and terminal employees. Terminal security plans and training are an ongoing process. Shoreside security organization and structure will continue to challenge the AMHS, requiring frequent updates, planning meetings, and drills. New federal OSHA regulations will also require additional safety audits of all AMHS's terminals.

The AMHS continues to move forward with the new automated crew dispatch system, which will allow the AMHS to be more efficient with all aspects of the complex crew dispatching process. The new dispatch system has the potential to upgrade and replace the present vessel scheduling computer program.

The AMHS is researching the possibility of enhancing or replacing its present reservations system with a more efficient and less labor intensive system. The AMHS will continue with implementation of providing customers with the ability to print tickets from a personal computer. Also, bar coding will eliminate the need for terminal check in, thus reducing terminal employee work load, and freeing them for other important duties.

The AMHS will continue the implementation of an Internet based satellite communication system on board its vessels. This equipment will allow the system to generate more revenue in the areas of internet cafes and cash machines aboard the vessels. Once the entire fleet is equipped with this capability it will allow the system to operate its current reservation system much more efficiently, with continuous real time accounting of the system's reservation status. This equipment will detect NSF checks when they are used to pay for the purchase of goods or services which continues to cost the system revenue.

Fleet personnel retirement and turnover continues to be a problem causing management to apply aggressive employee recruitment via maritime academies, trade journals, and the Washington State Ferry system.

Significant Changes in Results to be Delivered in FY2008

No significant changes are anticipated.

Major Component Accomplishments in 2006

Provided 411 total operating weeks of service in Southeast and Southwest Alaska including cross-Gulf of Alaska service connecting the two systems and the interior.

Successfully operated the FVF Fairweather and the FVF Chenega and established a new crew recertification program in accordance with the requirements of the International High Speed Code.

Successfully operated the M/V Lituya, the first vessel in the AMHS fleet to operate under the subchapter T rules. Increased the frequency of the vessel's trips, which has resulted in an increase in both passenger and vehicle ridership.

Integrated administrative and computer support services into the AMHS organizational structure, resulting in greater efficiency.

Maintained full service, year round, across the Gulf of Alaska and in Southeast with the M/V Kennicott and M/V Tustumena.

Implemented the required federal MTSA security training for vessel, shore side, and terminal personnel. Continued to upgrade the terminal security infrastructure, as per federal requirements.

Increased system wide ridership and vehicle transports after many years of decreasing numbers.

Re-deployed the M/V Aurora and M/V Chenega to Prince William Sound thus providing increased and uninterrupted summer service. Also operated the M/V Aurora on a consistent winter schedule during the winter of 2005-2006, which was a first for that region.

Increased service to Kodiak and the Alaska chain ports with the M/V Tustumena. The service levels achieved are above any in the past.

Maintained certification with ISM, SMS, MTSA, and OSHA regulations.

Continued the implementation of the AMHS automated crew dispatch program. This system will allow the AMHS to dispatch its vessel crews much more efficiently, thus reducing AMHS operating expenses.

Installed and tested internet communications aboard the M/V Tustumena.

Commenced the development of a new class of SE shuttle day ferry.

Statutory and Regulatory Authority

AS 19

AS 44

Contact Information

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Vessel Operations Management Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,858.6	3,110.4	3,536.0
72000 Travel	71.7	41.9	41.9
73000 Services	46.5	146.5	146.5
74000 Commodities	11.1	58.8	58.8
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,987.9	3,357.6	3,783.2
Funding Sources:			
1004 General Fund Receipts	0.0	0.0	425.0
1061 Capital Improvement Project Receipts	0.0	107.9	107.9
1076 Marine Highway System Fund	1,987.9	3,249.7	3,250.3
Funding Totals	1,987.9	3,357.6	3,783.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Manageme nt Plan	FY2008 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Capital Improvement Project Receipts	51200	0.0	107.9	107.9
Restricted Total		0.0	107.9	107.9
Total Estimated Revenues		0.0	107.9	107.9

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	0.0	3,357.6	3,357.6
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.0	0.0	0.6	0.6
-Fund Source Adjustment for Retirement Systems Increases	425.0	0.0	-425.0	0.0
Proposed budget increases:				
-FY 08 Retirement Systems Rate Increases	0.0	0.0	425.0	425.0
FY2008 Governor	425.0	0.0	3,358.2	3,783.2

Vessel Operations Management Personal Services Information

Authorized Positions		Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>	
Full-time	40	40	Annual Salaries 2,016,693
Part-time	0	0	Premium Pay 59,590
Nonpermanent	0	0	Annual Benefits 1,637,169
			<i>Less 4.78% Vacancy Factor</i> (177,452)
			Lump Sum Premium Pay 0
Totals	40	40	Total Personal Services 3,536,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	0	0	1	1
Administrative Assistant	0	0	0	1	1
Administrative Clerk I	0	0	0	2	2
Administrative Clerk II	0	0	0	2	2
Administrative Clerk III	0	0	0	4	4
Administrative Manager I	0	0	0	1	1
Administrative Manager IV	0	0	0	1	1
Amhs Dispatch Supervisor	0	0	0	1	1
Amhs Dispatcher	0	0	0	4	4
Amhs Security Officer	0	0	0	1	1
Analyst/Programmer II	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Analyst/Programmer V	0	0	1	0	1
Asst Port Captain	0	0	0	1	1
Division Director	0	0	0	1	1
Marine Trans Srvs Mgr	0	0	1	1	2
Micro/Network Spec I	0	0	0	2	2
Micro/Network Tech II	0	0	0	1	1
Passenger Services Insp	0	0	0	2	2
Port Captain	0	0	0	2	2
Prog Coordinator	0	0	0	1	1
Program Budget Analyst III	0	0	0	1	1
Research Analyst II	0	0	0	1	1
Safety Officer	0	0	0	1	1
Secretary	0	0	0	1	1
Ship Services Mgr/Port Steward	0	0	1	0	1
Training Specialist I	0	0	0	1	1
Vessel Scheduling Coordinator	0	0	1	0	1
Totals	0	0	6	34	40